

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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FM U S MISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 1591

INFO AMEMBASSY ANKARA IMMEDIATE

AMEMBASSY BANGKOK IMMEDIATE

C O N F I D E N T I A L SECTION 1 OF 2 GENEVA 2015

EXDIS/STADIS////////////////////////////////

FOR AMBASSADOR VANCE

E.O. 11652: XGDS 1

TAGS: SNAR, TU, UN

SUBJECT: TURKISH/UN DEVELOPMENTS

REF: (A) GENEVA 1531; (B) GENEVA 1597

1. SUMMARY: THIRD ROUND OF NEGOTIATIONS BETWEEN UN AND TURKEY ON STANDBY COMPENSATION QUESTION TOOK PLACE MARCH 19. NO PROGRESS WAS MADE. UN SIDE REITERATED POSITION PREVIOUSLY ADVANCED. TURKISH SIDE MADE NO EFFORT TO REFUTE UN'S CRITICISM OF TURKISH CALCULATIONS (REFS A AND B). KIRCA TOOK FLAT POSITION THAT 20 TL PER KILOGRAM WAS ONLY REALISTIC PRICE TO BE GUARANTEED POPPY FARMERS AND INSISTED UN'S STANDBY COMMITMENT MUST BE BASED ON THIS FIGURE. KIRCA SAID THAT IF INTERNATIONAL COMMUNITY CONSIDERS THIS PRICE UNREALISTIC THEN GOT "CONSIDERS WHOLE DEAL UNREALISTIC". STATED THAT FAILURE OF INTERNATIONAL COMMUNITY TO HELP IN REALISTIC MANNER WOULD BE WHOLLY ITS OWN RESPONSIBILITY, THAT TURKEY, AT UN'S BEHEST, HAS TAKEN MEASURES BEYOND THOSE REQUIRED BY SINGLE CONVENTION AND HAS ASKED UN TO HELP. WITHOUT SUCH HELP GOT NOT PREPARED ACCEPT ADDITIONAL BURDENS. TURKISH/UN SIDES AGREED MEET AGAIN FIRST WEEK OF APRIL. MARTENS IS SEEING KIRCA INFORMALLY MARCH 21 IN AN EFFORT PERSUADE HIM SEEK INSTRUCTIONS WHICH WILL PERMIT PROGRESS  
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IN NEXT ROUND. IN HIS TALK WITH KIRCA, MARTENS PLANS FOR

FIRST TIME INDICATE UN WILLINGNESS EARMARK SPECIFIC SUM (\$3 MILLION) FOR STANDBY COMPENSATION IN 1975. HE APPARENTLY ALSO PROPOSES AS MOVE TOWARD AGREEMENT, WITHIN THAT AMOUNT, TO OFFER POSSIBILITY OF ESTABLISHING FAIR PRICE AT 16 TL, ALTHOUGH REITERATING BELIEF UN SIDE THAT 15 TL IS INDEED FAIR PRICE. WE UNDERSTAND HE IS ALSO RAISING POSSIBILITY OF LESSER STANDBY FUNDS IN 1976 AND 1977. END SUMMARY

2. TURKISH AND UN SIDES MET MARCH 19 TO CONTINUE DISCUSSION OF QUESTION STANDBY ASSISTANCE TO GUARANTEE FAIR PRICE FOR FARMER. MANBY HAS GIVEN US FOLLOWING RUNDOWN ON MEETING.

3. MARTENS HELD FAST TO POSITION THAT 15 TL CONSTITUTED FAIR PRICE SUFFICIENTLY HIGH TO ATTRACT FARMERS' WILLING COOPERATION IN CONTROL SYSTEM AND THAT THIS SHOULD BE PAID IN FULL TO FARMERS WHEN THEY DELIVER THEIR STRAW TO TMO. HE ALSO REITERATED THAT FAIR PRICE MUST BE WITHIN RANGE INTER-NATIONAL COMMUNITY, REPRESENTED BY UNFDAC, COULD REALISTICALLY BE EXPECTED TO ASSIST. MARTENS SAID THAT IF PRICE WERE SET AT 15 TL, FUND COULD AFFORD ESTABLISH STAND-BY FUND BUT COULD NOT CONTEMPLATE UNLIMITED COMMITMENT. HE WARNED, HOWEVER, THAT DONORS WOULD NOT BE SYMPATHETIC TO SUCH COMMITMENT UNLESS CONTROL SYSTEM IS EFFECTIVE.

4. KIRCA WAS ADAMANT THAT FAIR PRICE MUST BE SET AT 20 TL PER KILOGRAM, THAT THIS ACCORDED WITH WHAT TMO COULD HAVE AFFORDED PAY FARMERS WERE IT TO EXPORT OPIUM IN 1975. KIRCA SAID TURKISH PUBLIC OPINION WOULD NOT PERMIT GOT TO DO LESS. IF INTERNATIONAL COMMUNITY CONSIDERED PRICE OF 20 TL TO BE UNREALISTIC, THEN "HIS GOVERNMENT WOULD CONSIDER WHOLE DEAL UNREALISTIC". HE COULD UNDERSTAND IF FUND SAID IT DID NOT HAVE NECESSARY MONEY, BUT IN THIS CASE GOT WOULD NOT ACCEPT ANY CRITICISM "AND RESPONSIBILITY WOULD BE WHOLLY THAT OF INTERNATIONAL COMMUNITY".

5. TURKISH GOVT, WHICH WAS NEGOTIATING WITH UN, HAD TAKEN MEASURES BEYOND THOSE REQUIRED BY SINGLE CONVENTION AND HAD ASKED FUND FOR HELP. TURKEY WAS NOT PREPARED "TO ACCEPT BURDENS ADDITIONAL TO THOSE OF ITS TREATY OBLIGATIONS WITHOUT SUCH HELP".

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6. KIRCA INSISTED THAT GENERAL PRICE LEVEL HAS BEEN INCREASING FAST SINCE 1974. TO PREVENT POSSIBILITY OF FARMERS PRODUCING OPIUM FOR SALE TO ILLICIT TRAFFICKERS, COUNTRIES MUST BE PREPARED PAY MORE FOR THEIR LAWFUL SUPPLIES AND EXPECT MAKE LESS PROFIT FROM THEIR MANUFACTURE OF NARCOTIC DRUGS; TERMS OF TRADE FOR THIS RAW MATERIAL MUST BE ALTERED IN FAVOR OF PRODUCERS. FIRMS

EVEN NOW WERE TRYING TO BUY CAPSULES AT "VERY LOW PRICE".  
EITHER "THEY OR THEIR GOVTS MUST ENSURE SATISFACTORY  
PRICE OR TURKEY WOULD NOT BE RESPONSIBLE FOR ANYTHING  
BEYOND ITS BARE TREATY OBLIGATIONS". KIRCA STATED  
THAT TURKEY WAS NOT ASKING FOR FIXED SUM: THERE MIGHT  
BE NO LOSS. NOR WAS IT ASKING FOR ANYTHING FROM TMO.  
BUT "IF HELP NOT FORTHCOMING", GOT "WOULD HAVE RECONSIDER  
ITS POSITION". HE "WAS NOT GOING TO NEGOTIATE OVER PENNIES",  
AND "CONTRIBUTORS TO FUND SHOULD UNDERSTAND THAT THEY HAD  
THEIR RESPONSIBILITIES".

7. DISCUSSION CONCLUDED WITH MARTENS NOTING HE WOULD HAVE  
SERIOUS MISGIVINGS ABOUT HIS ABILITY TO PERSUADE FUND'S  
DONORS TO SUPPORT PRICE OF 20 TL. MARTENS AND KIRCA AGREED  
MEET AGAIN DURING FIRST WEEK OF APRIL.

8. SUBSEQUENT TO MARCH 19 MEETING, MARTENS AND HIS TEAM  
HAVE TAKEN STOCK OF SITUATION. THEY HAVE CONCLUDED THAT  
UN SIDE SHOULD TAKE SOME ACTION TO MOVE NEGOTIATIONS  
OFF DEAD CENTER.

9. IN AGREEMENT WITH HIS STAFF, MARTENS HAS DECIDED MEET  
INFORMALLY AND ALONE WITH KIRCA MARCH 21 PM WITH OBJECTIVE  
OF PERSUADING KIRCA TO SEEK INSTRUCTIONS WHICH WILL  
PERMIT PROGRESS AT NEXT MEETING. MANBY SAYS THAT MARTENS  
INTENDS FOR FIRST TIME INDICATE TO KIRCA UN'S WILLINGNESS  
EARMARK SPECIFIC SUM IN AMOUNT OF \$3 MILLION FOR STANDBY  
COMPENSATION IN 1975. HE ALSO PLANS, AS MOVE TOWARD  
AGREEMENT BUT WITHIN THAT AMOUNT, TO OFFER POSSIBILITY OF  
SUPPORTING FAIR PRICE AT 16 TL, ALTHOUGH REITERATING  
BELIEF UN SIDE THAT 15 TL IS INDEED FAIR PRICE. MANBY  
UNDERSTANDS MARTENS PROPOSES FURTHER TO INDICATE HE  
IS PREPARED ENVISAGE POSSIBILITY OF LESSER STANDBY FUNDS  
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FOR 1976 AND 1977 IF ALKALOIDS FACTORY NOT OPERATIONAL  
BY THEN. WE WILL OBTAIN RUNDOWN ON MARTENS CONVERSATION  
WITH KIRCA AND ADVISE ASAP.

9. COMMENT: NEGOTIATIONS CLEARLY MUST BE EXPEDITED SINCE  
WHOLE OBJECT OF THIS EXERCISE IS TO ENSURE THAT FAIR PRICE  
IS ANNOUNCED BY TMO SUFFICIENTLY IN ADVANCE OF INCISION  
PERIOD TO INDUCE FARMERS TO COOPERATE WILLINGLY IN CONTROL  
SYSTEM. IDEALLY THIS PRICE SHOULD ALREADY HAVE BEEN  
ANNOUNCED AND AIM NOW MUST BE ANNOUNCEMENT NO LATER THAN  
APRIL 15. OTHERWISE FARMERS MAY MAKE CONTRACTS WITH ILLICIT  
BUYERS WHO PRESUMABLY ARE ALREADY ACTIVE IN GROWING AREAS  
AND PAST EXPERIENCE HAS SHOWN THAT ONCE CONTRACTS ARE MADE  
FARMERS TEND TO HONOR THEM BECAUSE OF FEAR PHYSICAL  
RETALIATION BY ILLICIT TRAFFICKERS AGAINST THEMSELVES AND

THEIR FAMILIES.

11. WE AGREE WITH UN THEREFORE THAT EFFORT NEEDS BE MADE URGENTLY TO PROMOTE PROGRESS TOWARD REALISTIC AND DEFENSIBLE AGREEMENT THAT WILL ENABLE FAIR PRICE TO BE ANNOUNCED BY MID-APRIL. BASIC ISSUES ARE: (A) AMOUNT OF FAIR PRICE (WHICH SHOULD, OF COURSE, BE EQUAL TO ANNOUNCED PRICE) AND (B) EXTENT AND DURATION OF UN STANDBY COMMITMENT.

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ACTION SS-25

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INFO AMEMBASSY ANKARA IMMEDIATE  
AMEMBASSY BANGKOK IMMEDIATE

C O N F I D E N T I A L SECTION 2 OF 2 GENEVA 2015

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FOR AMBASSADOR VANCE

12. AMOUNT OF PRICE MUST OBVIOUSLY BE SUCH AS TO MINIMIZE FARMERS BEING TEMPTED TO INCISE. IT SHOULD AT SAME TIME RESULT IN STANDBY ARRANGEMENT WHICH IS WITHIN REASONABLE LIMITS FROM UN SIDE'S POINT OF VIEW AND CONSTITUTES A PRICE STRUCTURE WHICH MAKES ECONOMIC SENSE FOR TURKEY BEYOND COMPENSATION PERIOD. WHEREAS TURKS THINK THIS AMOUNT SHOULD BE 20 TL PER KILOGRAM, UN RIGHTLY CONSIDERS THAT 15 TL IS FAIR PRICE IN 1975 AND THAT TURKISH PROPOSAL IS OUT OF BALL PARK. HOWEVER, TURKS HAVE MADE CLEAR THAT 15 TL IS UNACCEPTABLE AND IT SEEMS UNLIKELY THAT KIRCA WILL SEEK OR RECEIVE INSTRUCTIONS PERMITTING NEGOTIATIONS PROCEED ON BASIS THIS LEVEL. THEREFORE IN ORDER TO MOVE FORWARD WE AGREE WITH UN NEGOTIATORS THAT THEY NEED NOW DEMONSTRATE SOME FLEXIBILITY IN TERMS REPRESENTING SOME UPWARDS ADJUSTMENT OF FAIR PRICE AND DURATION OF STANDBY COMMITMENT. HOPE IS THAT TURKISH

SIDE WILL RESPOND BY MOVING IN DIRECTION UN POSITION.  
OF COURSE ANY GUARANTEED PRICE ABOVE 15 TL WOULD  
NECESSARILY INCREASE TURKEY'S RESPONSIBILITY FOR HELPING  
MEET PRICE; UN'S RESPONSIBILITY WOULD BE FIXED.

13. WE HAVE BEEN GIVING GREAT DEAL OF CONSIDERATION TO  
PROS AND CONS OF LIMITING UN COMMITMENT TO ONE YEAR  
VERSUS LONGER-TERM STANDBY ARRANGEMENT. ON BALANCE WE  
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CONCLUDE THAT UN COMMITMENT SPREAD OVER THREE YEARS OFFERS  
BETTER PROSPECT OF KEEPING TURKEY FROM REVERTING TO  
OPIUM. FACT IS THAT GOT MORE APT TO BE ENCOURAGED STICK TO  
NEW SYSTEM IF UN COMMITMENT IS FOR PERIOD LONG ENOUGH TO  
DEMONSTRATE ADVANTAGES UNINCISED STRAW ROUTE FOR TURKEY.  
RESEARCH NOW BEING STARTED TO IMPROVE MORPHINE CONTENT  
IN TURKISH STRAW AND AGRICULTURAL METHODS WILL NOT HAVE  
IMPACT BEFORE SECOND OR THIRD YEAR; MARKETING CHANNELS  
AND METHODS WILL NOT BE IN PLACE FIRST YEAR; AND MORPHINE  
CONTENT OF CAPSULES MAY NOT BE KNOWN PRIOR TO SELLING OF  
1975 CROP. FURTHERMORE IT SEEMS IMPORTANT THAT EVERY  
EFFORT BE MADE TO DEMONSTRATE IN TURKEY THAT STRAW METHOD  
PROVIDES SAFER AND MORE PROFITABLE ROUTE TO CODEINE THAN  
DOES OPIUM FOR LICIT EXPORT.

14. WE HAVE MADE IT CLEAR TO UN NEGOTIATORS THAT ANY  
STANDBY AGREEMENT, IRRESPECTIVE OF AMOUNT AND DURATION,  
WOULD HAVE INCLUDE FOLLOWING ELEMENTS.

(A) ASSISTANCE IS BEING GIVEN TO ENABLE TURKEY TO CARRY  
OUT ITS OBLIGATIONS UNDER SINGLE CONVENTION TO CONTROL  
POPPY PRODUCTION IN MANNER TO ENSURE THAT THIS PRODUCTION  
IS USED EXCLUSIVELY FOR MEDICAL PURPOSES.

(B) IN ADDITION TO ASSISTANCE DESIGNED TO BOLSTER  
TURKEY'S CONTROL SYSTEM, UNFDAC FUNDS ARE BEING SET ASIDE  
TO ENSURE THAT FARMERS DO NOT SUFFER LOSS OF INCOME AS  
RESULT OF SHIFTING FROM OPIUM TO STRAW PRODUCTION AND  
CONSTITUTES CONTINGENCY ASSISTANCE ONLY FOR TRANSITION  
PERIOD. FUNDS COMMITTED MIGHT BE USED OR MIGHT NOT BE  
USED, DEPENDING UPON RELEVANT FACTORS, SUCH AS MORPHINE  
CONTENT OF STRAW, EXPORT PRICE, ETC.

(C) THIS PROPOSED STANDBY ASSISTANCE IS REGARDED BY BOTH  
SIDES AS NECESSARY TO ENSURE THAT DIVERSION TO ILLICIT  
TRAFFIC DOES NOT TAKE PLACE. IT ASSUMES THAT A GURANTEED  
FAIR PRICE ANNOUNCED SUFFICIENTLY IN ADVANCE OF INCISION  
PERIOD WILL SIGNIFICANTLY DIMINISH POSSIBILITY THAT POPPY  
FARMERS MIGHT BE TEMPTED TO INCISE IN ORDER TO OBTAIN  
OPIUM.

(D) ANY UNFDAC COMMITMENT CAN BE FOR FIXED PERIOD ONLY.  
SINCE FUND'S RESOURCES ARE PROVIDED BY VOLUNTARY  
CONTRIBUTIONS NORMALLY MADE ON AN ANNUAL BASIS, ANY

COMMITMENTS BEYOND 1974/75 CROP YEAR ARE NECESSARILY  
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SUBJECT TO AVAILABILITY OF FUNDS.

(E) DRAWDOWNS ON UNFDAC'S STANDBY ASSISTANCE ARE  
CONTINGENT UPON THERE BEING NO EVIDENCE OF SIGNIFICANT  
INCISION AND THAT FOR PERIOD COVERED BY THAT COMMITMENT  
STRAW CROP WOULD BE EXPORTED ANNUALLY.

(F) UNFDAC UNDERSTANDS THAT FARMERS WILL BE PAID AGREED  
GUARANTEED PRICE IN FULL AT TIME THEY DELIVER STRAW TO  
THE TMO. (FOR THIS PURPOSE TMO MAY WISH TO ARRANGE TO  
HAVE NECESSARY FUNDS IN HAND THROUGH TURKISH DEVELOPMENT  
BANK.)

(G) TMO WILL ADVISE FARMERS IN ADVANCE OF HARVEST OF NEED  
TO COLLECT CAPSULES ONLY SINCE STEMS AND OTHER MATERIAL  
WOULD REDUCE CROPS VALUE. TMO WOULD DECLINE TO BUY STRAW  
WHICH CONTAINS EXTRANEIOUS MATERIAL.

(H) TURKEY WILL TAKE ALL NECESSARY SECURITY MEASURES, IN  
ADDITION TO ESTABLISHING FAIR PRICE FOR FARMERS, TO ENSURE  
THAT INCISION OF CAPSULES DOES NOT TAKE PLACE. THESE  
MEASURES WOULD OF COURSE INCLUDE SURVEILLANCE OF FIELDS  
IN GROWING AREAS FROM AIR AND ON GROUND. INTERNATIONAL  
CONFIDENCE IN EFFICACY OF THESE MEASURES WOULD BE  
STRENGTHENED IF UN OBSERVERS WERE INVITED TO BE  
PRESENT FROM INCISION PERIOD THROUGH HARVEST.DALE

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## Message Attributes

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